

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Rex Post Office
Rex, North Carolina 28378-8901

Docket No. A2011-42

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(October 4, 2011)

On August 10, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked July 27, 2011, from James. E. Shaw (Petitioner) objecting to the discontinuance of the Post Office at Rex, North Carolina. On August 11, 2011, the Commission issued Order No. 798, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Commission received no additional written communications from customers of the Rex Post Office. The Petitioner did not file a Form 61 or initial brief in support of the petition. In accordance with Order No. 798, the administrative record was filed with the Commission on August 24, 2011.

The appeal received by the Commission on August 10, 2011, raises two main issues: (1) the effect on postal services and (2) the impact upon the Rex community expected to result from discontinuing the Rex Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to a number of other

¹ See 39 U.S.C. 404(d)(2)(A).

issues, including the calculation of economic savings and the impact upon postal employees expected to result from discontinuing the Rex Post Office. Accordingly, the determination to discontinue the Rex Post Office should be affirmed.

Background

The Final Determination To Close the Rex, NC Post Office and Continue to Provide Service by Independent Post Office (FD), as well as the administrative record, indicate that the Rex Post Office provides EAS-11 level service to 113 Post Office Box or general delivery customers. The Rex Post Office also provides service to retail customers 33 hours per week. Item No. 47, FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.² The postmaster of the Rex Post Office retired on February 28, 2011. A noncareer employee was installed to operate the office.³ The average number of daily retail window transactions at the Rex Post Office is twenty-three. Revenue has generally been low: \$18,784.00 in FY 2008 (49 revenue units); \$21,481.00 in FY 2009 (56 revenue units); and \$21,192.00 in FY 2010 (55 revenue units).⁴ The Rex Post Office has no meter or permit customers. FD at 2; Item No. 18, Fact Sheet; Item No. 33, Proposal, at 2.

Upon implementation of the final determination, delivery and retail services will be provided by independent post office under the administrative responsibility of the

² In these comments, specific items in the administrative record, other than Item No. 47, Final Determination, are referred to as "Item ____."

³ FD, at 4; Item No. 18, Fact Sheet; Item No. 21, Letter to Postal Customer from Operations Program Support ("Letter to Customer"), at 1; Item No. 33, Proposal to Close the Rex, NC Post Office and Continue to Provide Service by Rural Route Service ("Proposal"), at 7.

⁴ FD, at 2; Item No. 18, Fact Sheet; Item No. 33, Proposal, at 2.

Lumber Bridge Post Office, an EAS-15 level office located two miles away, which has 99 available Post Office Boxes. FD, at 2.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Rex Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Rex Post Office. Questionnaires were also available over the counter for retail customers at Rex. FD, at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Rex Post Office. A letter from Operations Program Support of the Mid-Carolinas District was also made available to postal customers. The letter advised customers that the Postal Service was evaluating whether to discontinue operation of the Rex Post Office and that effective and regular service could be provided through rural route delivery emanating from the St. Pauls Post Office and retail services available at the St. Pauls Post Office, the Lumber Bridge Post Office, and the Parkton Post Office. The letter explained several options available for customers to receive their mail and invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21, Letter to Customer. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Rex Post Office for a

community meeting on March 9, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21, Letter to Customer, at 2; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 33, Proposal, at 2. Customers received formal notice of the Proposal and FD through postings at the Rex Post Office. The Proposal was posted with an invitation for public comment at the Rex Post Office from March 28, 2011 to May 30, 2011. FD, at 2; Item No. 33, Proposal, at 1. The FD was posted at the same Post Office starting on July 8, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record. Item No. 47, at 1.

In light of the postmaster vacancy, a minimal workload, low office revenue,⁵ the variety of delivery and retail options (including the convenience of rural delivery and retail service),⁶ minimal recent growth in the area,⁷ minimal impact upon the community, and the expected financial savings,⁸ the Postal Service issued the FD.⁹ Regular and effective postal services will continue to be provided to the Rex community in a cost-effective manner upon implementation of the final determination. FD at 2, 4.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

⁵ See note 4 and accompanying text,

⁶ FD, at 2-4; Item No. 33, Proposal, at 2-4.

⁷ Item No. 16, Community Survey Sheet.

⁸ FD, at 4; Item No. 17, Cost Analysis; Item No. 18, Fact Sheet, at 1; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 7.

⁹ FD, at 4.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Rex Post Office on postal services provided to Rex customers. The closing is premised upon providing regular and effective postal services to Rex customers.

The Petitioner, in his letter of appeal, raises the issue of the effect on postal services of the Rex Post Office's closing, noting the convenience of the Rex Post Office and requesting its retention. The Petitioner expresses particular concern about the effect of the discontinuance of the Rex Post Office on senior citizens, on individuals with no transportation or limited transportation, and others. The Petitioner states that regular and effective service cannot be provided to the Rex community through other options should the Rex Post Office be discontinued. Each of these concerns was considered by the Postal Service.

The effect of the discontinuance of the Rex Post Office on senior citizens was considered by the Postal Service. The Postal Service explained that carrier service is beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes. Customers do not have to make a special trip to the post office for service. Special provisions are made for hardship cases or special customer needs. Customers may contact the administrative postmaster for more information and to request exception for hardship delivery.¹⁰

¹⁰ FD, at 3A-4; Item No, 25, Community Meeting Analysis, at 2; Item No. 33, Proposal, at 5;

The effect of the discontinuance of the Rex Post Office on individuals with no transportation or limited transportation was also considered by the Postal Service. The Postal Service explained that services provided at the post office will be available from the carrier, and customers will not have to travel to another post office for service. Most transactions do not require meeting the carrier at the mailbox. Stamps by Mail and Money Order Application forms are available for customer convenience.¹¹

Upon the implementation of the final determination, regular and effective service will continue be provided to the Rex community by delivery and retail services by an independent post office under the administrative responsibility of the Lumber Bridge Post Office, located two miles away. The window service hours of the Lumber Bridge Post Office are from 8:30 a.m. to 4:30 p.m., Monday through Friday and 9:30 a.m. to 12 noon on Saturday. FD, at 2. In addition, customers opting for carrier service will have 24-hour access to their mail. FD, at 3A.

The customer letter provided to customers of the Rex Post Office outlined a number of options available for customers to receive mail, including electing to open a Post Office Box at the Lumber Bridge Post Office, the Saint Pauls Post Office, or the Parkton Post Office, or electing to close their Post Office Box at Rex Post Office and receive street delivery. Item No. 21, Letter to Postal Customer, at 1. Upon the implementation of the Final Determination, based upon the option selected by the customer, delivery and retail services will be provided.

¹¹ FD, at 3A; Item No. 25, Community Meeting Analysis, at 1; Item No. 33, Proposal, at 4.

The Postal Service has considered the impact of closing the Rex Post Office upon the provision of postal services to Rex customers. The Postal Service has properly concluded that Rex customers will continue to receive regular and effective service by delivery and retail services by independent post office under the administrative responsibility of the Lumber Bridge Post Office, located two miles away.

Effect Upon the Rex Community

The Postal Service is obligated to consider the effect of its decision to close the Rex Post Office upon the Rex community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Rex is an unincorporated rural community located in Robeson County. The Robeson County Police provide police protection. The community is administered politically by Robeson County, with fire protection provided by the Lumber Bridge Volunteer Fire Department. A number of churches are located in the Rex community. FD, at 3A; Item No. 33, Proposal at 5. The questionnaires completed by Rex customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Rex must travel elsewhere for other supplies and services. See generally Item No. 22, Returned customer questionnaires and Postal Service response letters, at 2, 8, 11, 14, 20, 23, 29, 32, 35, 38, 41, 44, 47, 50, 53, 55, 58, 61, 64, 67, 69, 71, 73, 75, 77, 80, 83, 86, 89, 92, 95, 99.

The Petitioner's letter of appeal raises the issue of the effect of the closing of the Rex Post Office upon the Rex community. This issue was extensively considered by the Postal Service, as reflected in the administrative record. FD, at 2, 3A, 4; Item No. 33, Proposal, at 2, 5-7. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. FD, at 3A; Item No. 25, Community Meeting Analysis, at 2; Item No. 33, Proposal, at 5. Communities generally require regular and effective postal services and these will continue to be provided to the Rex community. That the Rex Post Office plays a role in the community other than just providing postal services, was considered by the Postal Service. The record makes clear that the Postal Service is addressing this concern through preservation of the community identity by continuing the use of the Rex name and ZIP Code in addresses. FD at 3A; Item No. 25, Community Meeting Analysis, at 2; Item No. 33 Proposal, at 5; Item No. 38, Returned Optional Comment Forms and USPS Response letters, at 2; Item No. 40, Analysis of 60-Day Posting Comments, at 1.

In addition, the Postal Service has concluded that nonpostal services provided by the Rex Post Office can be provided by the Lumber Bridge Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 3A; Item No. 33, Proposal, at 5.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Rex Post Office on the community served by the Rex Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Rex Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Rex Post Office are \$39,111.00. FD at 4; Item No. 33, Proposal, at 7.

Economic factors are one of several factors that the Postal Service considered. Economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 4; Item No. 33, Proposal, at 7.

The Postal Service determined that providing delivery and retail services by independent post office under the administrative responsibility of the Lumber Bridge Post Office, located two miles away, is more cost-effective than maintaining the Rex postal facility and postmaster position. FD, at 4. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on February 28, 2011. A noncareer employee was installed to operate the office. The noncareer postmaster relief may be separated from the Postal Service. The record shows that no other employee would be affected by this closing. FD, at 4; Item No. 18, Fact Sheet; Item No. 33, Proposal, at 7. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Rex Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Rex Post Office on the provision of postal services and on the Rex community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Rex customers. FD, at 4. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. §

404(d)(2)(A). The Postal Service's decision to close the Rex Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Rex Post Office be affirmed.

Respectfully submitted,

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